

**Department of Management and Budget  
Office of Purchasing**

**Report of Proposed Changes in Excess of \$500,000  
To Current Contracts for Computer Software  
Development, Hardware Acquisition, or Quality Assurance**

Sec. 713 of Public Act 528 of 2002

(December 6, 2002)

Questions regarding this report may be directed to Jim Konrad, 517-373-0315

December 6, 2002

**BID TABULATION AND RECOMMENDATION FOR AWARD  
DEPARTMENT OF MANAGEMENT AND BUDGET  
ACQUISITION SERVICES**

**CONTRACT DESCRIPTION:** 071B5000207 - Development and Maintenance of the Retail Sales System (RSS) - Department of Natural Resources

**CONTRACT PERIOD:** 6/15/94 through 10/1/06

**CONTRACTOR:** **INCREASE**

Electronic Data Systems Corporation, Lansing, MI \$10,500,000.00

☐ Check if contract is extended.

**DESCRIPTION OF PURCHASE:**

This is a 42-month contract extension to include the on-going maintenance and operations of the Retail Sales System as well as providing a consolidated web hosting solution. The web hosting service will consolidate the RSS core system and E-License servers at the EDS Plano Service Management Center (SMC), with a Model Office/Disaster Recovery site at the Sacramento SMC. This will provide an environment that is secure, managed and monitored 24/7/365, and which leverages Model Office site-related costs in support of a disaster recovery solution. The proposed consolidation offers several benefits not possible with the current geographically-dispersed RSS system resources.

All of the above combine to form a solution that will significantly enhance RSS in terms of performance, data management, security, reliability and recoverability. Full RSS hardware support will, for the first time, be available around the clock. Monitoring will alert systems administrators of outages and will allow declining resources or degraded performance measurements to cause pre-emptive resolution activity that can address problems before they affect customer service.

**FUNDING:** 100% Game and Fish Fund

**PRICE CLAUSE:** Prices are firm for a period of 365 days.

**CS-138:** 192S0002070

**ORIGINAL CONTRACT AMOUNT:** \$7,753,171.00

**CURRENT CONTRACT AMOUNT:** \$14,445,942.80

**PROPOSED AMENDMENT INCREASE AMOUNT:** \$10,500,000.00

**PERCENTAGE OF CHANGE BETWEEN AMENDMENT AND ORIGINAL  
CONTRACT AMOUNT:** 135%

**PERCENTAGE OF CHANGE BETWEEN AMENDMENT AND CURRENT  
CONTRACT AMOUNT:** 73%

**ESTIMATED 03 FISCAL YEAR INCREASE:** \$2,250,000.00 (9 months)

**NEW TOTAL CONTRACT COST:** \$24,945,942.80

☒ Check if > \$500,000 for software development, computer hardware acquisition or quality assurance?

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**Manager Signature**

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**Division Director Signature**

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**Acquisition Services Director  
Signature**

December 6, 2002

**BID TABULATION AND RECOMMENDATION FOR AWARD  
DEPARTMENT OF MANAGEMENT AND BUDGET  
ACQUISITION SERVICES**

**CONTRACT DESCRIPTION:** 071B1001316 - Project Management Services for the  
Child Support Enforcement System (CSES) -  
Department of Information Technology

**CONTRACT PERIOD:** 12/11/02 through 12/32/03 (3 Years)

**CONTRACTOR:** **INCREASE**

Policy Studies, Inc., Denver, CO \$65,000,000.00

**[ X ] Check if contract is extended.**

**DESCRIPTION OF PURCHASE:**

The current contract with PSI expires December 31, 2002. The contract needs to be extended for an additional year until December 31, 2003 and \$65 million additional funds are needed to convert all county Friend of the Court offices to the new child support system by September 30, 2003. The federal government is requiring that all counties be on the same system. The federal government is holding in abeyance the FY2002 and FY2003 federal penalties against the State (\$112.6 million) pending the successful statewide implementation of the system. If the statewide implementation is successful and the federal government certifies the system in FY2003, the State will not have to pay the \$112.6 million in penalties and will recoup \$34.8 million in penalties actually paid in FY 2001.

The first expenditures from the \$65 million (Change Notice #7 to the contract) will be for completion of application development and testing of the 2.4 version of the new system including all changes required for federal certification. Also included in the first expenditure will be revisions to the Prosecuting Attorney Module, development of a Support Specialist Module, updates to the Friend of the Court Module, and deployment of 2.4 to Wayne County, statewide prosecuting attorney offices, and statewide FIA offices. Work under Contract Change Notice #7 will cost approximately \$15 million and be completed by the end of February. Beginning early January 2003 the Departments of Information Technology, Management and Budget, and Attorney General, with the assistance of outside legal counsel, will begin re-negotiating this contract with PSI. It is expected that these negotiations will be completed by the end of February. At that time another change order (Change Notice #8) will be issued with the contract revisions and authorizing the remaining funding to complete the conversion of groups of counties until all counties are on the new system by September 30, 2003. DIT is requesting that the

contract be extended to December 31, 2003 so on-site support can be provided to users after conversion.

**FUNDING:** 1/3 General Funds, 2/3 Federal Funds

**PRICE CLAUSE:** Prices to remain firm for the duration of the contract period.

**CS-138: NJ**

**ORIGINAL CONTRACT AMOUNT: \$5,548,205.00**

**CURRENT CONTRACT AMOUNT: \$141,336,483.00**

**PROPOSED AMENDMENT INCREASE AMOUNT: \$65,000,000.00**

**PERCENTAGE OF CHANGE BETWEEN AMENDMENT AND ORIGINAL  
CONTRACT AMOUNT: 1172%**

**PERCENTAGE OF CHANGE BETWEEN AMENDMENT AND CURRENT  
CONTRACT AMOUNT: 46%**

**ESTIMATED 03 FISCAL YEAR INCREASE: \$65,000,000.00**

**NEW TOTAL CONTRACT COST: \$206,336,483.00**

☒ Check if > \$500,000 for software development, computer hardware acquisition or quality assurance?

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